

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Case No.: 3:16-cv-01735-D

**CHRISTOPHER A. FAULKNER,
BREITLING ENERGY CORPORATION,
JEREMY S. WAGERS,
JUDSON F. (“RICK”) HOOVER,
PARKER R. HALLAM,
JOSEPH SIMO,
DUSTIN MICHAEL MILLER RODRIGUEZ,
BETH C. HANDKINS,
GILBERT STEEDLEY,
BREITLING OIL & GAS CORPORATION,
CRUDE ENERGY, LLC,
PATRIOT ENERGY, INC.,**

Defendants,

and

**TAMRA M. FREEDMAN and
JETMIR AHMEDI,**

Relief Defendants.

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION’S STATUS
REPORT REGARDING STATUS OF NEGOTIATIONS AND TIMELINE
TO FILE MOTIONS FOR CIVIL REMEDIES**

Plaintiff Securities and Exchange Commission (“Commission”) files this Status Report Regarding Status of Negotiations and Timeline to File Motions for Civil Remedies as contemplated in the Commission’s Status Report Regarding Outstanding Claims for Relief and Administrative Closure of Case [Dkt. No. 474], and respectfully shows the Court as follows:

**I.
STATUS OF CLAIMS**

1. On June 24, 2016, the Commission filed this civil action, *inter alia*, alleging that Defendants committed violations of the federal securities laws. *See* Dkt. No. 1. On August 11, 2016, the Commission filed its First Amended Complaint. *See* Dkt. No. 22. Since that time the Commission has actively litigated its claims against the defendants and relief defendants and, when appropriate, sought and obtained interlocutory or final judgments against these parties.

2. On August 19, 2019, the Commission filed its Status Report Regarding Outstanding Claims for Relief and Administrative Closure of Case (“Claims Status Report”). *See* Dkt. No. 474. In that filing, the Commission outlined the current status or disposition of the claims against the defendants and relief defendants. To summarize the relevant portions of the Claims Status Report, the Court has entered interlocutory judgments by consent against Defendants Dustin Michael Miller Rodriguez (“Miller”), Beth C. Handkins (“Handkins”), Gilbert Steedley (“Steedley”), and Parker R. Hallam (“Hallam”)(collectively, “Individual Defendants”), and the Receivership Defendants Breitling Energy Corporation (“BECC”), Breitling Oil & Gas Corporation (“BOG”), Crude Energy, LLC (“Crude”), and Patriot Energy, Inc. (“Patriot”) (collectively, “Receivership Defendants”). The Commission holds various, outstanding claims for civil remedies against each of those parties. *See* Claims Status Report at I.E. Each interlocutory judgment provides that the Court will resolve such claims by ruling on a future motion by the Commission.

A. Efforts to Resolve Claims for Civil Remedies Without the Need for Court Intervention.

3. Since filing the Claim Status Report, the Commission contacted each of the remaining defendants through their counsel of record. The Commission has engaged in negotiations to reach agreement on the outstanding claims for civil remedies with Defendants

Hallam, Handkins, and Steedley as well as the Receiver on behalf of the Receivership Defendants. The parties are currently evaluating options by which the remaining claims for civil remedies might be resolved by agreement.

4. The Commission has not yet engaged in negotiations with Miller, but will continue its efforts in this regard.

B. Proposed Schedule to Resolve Claims.

5. If the Commission determines that the parties will not be able to resolve the outstanding claims for relief by agreement, the Commission intends to file appropriate motions requesting that the Court enter final judgments ordering certain civil remedies against the remaining defendants. The Commission expects that it will be prepared to present these motions to the Court by January 24, 2020.

Dated: September 26, 2019

Respectfully submitted,

Jason P. Reinsch
JASON REINSCH
Texas Bar No. 24040120
B. DAVID FRASER
Lead Attorney
Texas Bar No. 24012654
SCOTT F. MASCIANICA
Texas Bar No. 24072222
TIMOTHY S. McCOLE
Mississippi Bar No. 10628

SECURITIES AND EXCHANGE COMMISSION
Burnett Plaza, Suite 1900
801 Cherry St., Unit #18
Fort Worth, TX 76102-6882
(817) 900-2601 (JPR phone)
(817) 978-4927 (fax)
ReinschJ@sec.gov
FraserB@sec.gov
MascianicaS@sec.gov
McColeT@sec.gov

ATTORNEYS FOR PLAINTIFF

SECURITIES AND EXCHANGE COMMISSION

CERTIFICATE OF SERVICE

I affirm that on September 26, 2019, I electronically filed the foregoing Status Report with the Clerk of the Court for the Northern District of Texas, Dallas Division, by using the CM/ECF system which will send a notice of electronic filing to all CM/ECF participants, constituting service as provided in LR 5.1 (d).

I further certify that on September 26, 2019, I served a true and correct copy of the foregoing document on the following parties and persons entitled to notice that are non-CM/ECF participants:

Michael P. Gibson (via UPS and E-mail) Burleson, Pate & Gibson, LLP Founders Square 900 Jackson St., Suite 330 Dallas, TX 75202 mgibson@bp-g.com <i>Counsel for Defendant Beth C. Handkins</i>	Alex More (Requested e-mail service only) Carrington Coleman 901 Main St., Suite 5500 Dallas, TX 75202 amore@CCSB.com <i>Counsel for Defendant Gilbert R. Steedley</i>
Christopher A. Faulkner (via Certified mail, return receipt requested) Johnson County Inmate FCI Seagoville, Previous Register No. 76501-112 1800 Ridgemar Dr. Cleburne, TX 76501 <i>Pro Se Defendant</i>	

Jason P. Reinsch
Jason P. Reinsch